

U.S. - AFRICA ENERGY MINISTERS MEETING

Tucson, Arizona

December 15, 1999

JOINT STATEMENT ON INVESTMENT PRINCIPLES FOR THE ENERGY SECTOR

The Ministers responsible for energy for the countries of the African continent or their representatives (listed below) and the Secretary of Energy of the United States, hereby referred to as the Energy Ministers, met in Tucson, Arizona, on December 13-15, 1999, and agreed to create or sustain a suitable environment that would allow and encourage the development of the energy sector of their economies to contribute to sustainable development, and to the welfare of their people and environment.

The Energy Ministers discussed the capital requirements necessary to enhance the exploration and development of energy resources and to build the energy infrastructure that will meet Africa's expanding needs and full potential as an important supplier to world markets and intend to create or sustain the institutional capabilities, legal structures, appropriate energy policies, regulatory frameworks, and national standards necessary to promote economic development and to attract the capital and technology required for sustainable development. The Energy Ministers also explored ways to finance such development. To that end, they proposed a set of investment principles that recognize and reaffirm, consistent with principles of international law, national sovereignty over natural resources, and various national investment codes and trade and investment agreements and instruments.

The Energy Ministers recognized the need to underscore the progressive implementation of policies allowing for opportunities for investment in the energy sectors of Africa and the significance of growing global interdependence and the importance of free and open energy markets to the effective operation of the international marketplace. Furthermore, they acknowledged that sustainable economic development, which is dependent on the availability of affordable energy, is key to stability, prosperity, and peace in Africa.

The Energy Ministers have an important role in promoting and protecting the flow of investments in the energy sector and plan to work both individually and collectively to strengthen their investment environment through the establishment of best practices, taking into account the particular circumstances of each country.

A Joint Statement of Investment Principles adopted by governments would aid the attraction of private investment to the basic energy infrastructure sector, help governments promote sustainable development, and support regional cooperation.

The Energy Ministers hereby support and will strive to implement the following investment principles for the energy sector:

- **Creating or sustaining transparent, independent, and stable regulatory and legal frameworks, based on the rule of law and sanctity of contracts**, that codify a commitment essential to attract investments to Africa, to strengthen economies, and to improve the lives of the African people. This would include: acceptance of cost-benefit and regulatory impact analyses, internationally recognized technical and operating standards, and effective dispute resolution and sunset provisions for dismantlement, whenever applicable; development of adequate local financing, technical expertise and authority to regulate and oversee the energy sector; institution of a simplified approval process for energy projects to reduce uncertainties and delays; and the establishment of a competitive bid process with published criteria and timetables, and clear and consistent approval processes.
- **Contributing to macro-economic policies that encourage investment in the energy sector and allow for close collaboration with international financial institutions.** This may include the reduction of barriers, the establishment of effective and realistic energy price structures, and investment in human capital and natural resources, that promotes fair distribution of wealth and empowers the people of Africa.

- **Striving for continued good governance in the energy sector**, aimed at preventing and combating corrupt practices and promoting transparency.
- **Working to achieve an integrated regional strategy for Africa's energy infrastructure in the 21st century.** Regional integration and cooperation could magnify the benefits of an economically sound energy strategy. Potential areas of cooperation could include coordination of plans to develop regional oil, gas, hydro, solar, wind, thermal, biomass, ocean, and electricity generation and supply infrastructure and development of standardized and compatible policies and programs to promote open and competitive markets.
- **Working cooperatively with the private sector and international financial institutions** in areas where privatization or public-private partnerships could attract needed capital.
- **Promoting the rational use of resources, good corporate citizenship, and protection of the environment** consistent with economic growth.
- **Fostering understanding, cooperation, and trust between the public and private sectors**, which are paramount to the development of efficient, environmentally friendly and flexible energy systems and markets worldwide.

The Energy Ministers acknowledge that by adopting and implementing these investment principles they signal to the investment community their recognition that these fundamental elements are needed to boost energy investment and trade in Africa.

Implementation

The Energy Ministers support the implementation of these investment principles. Periodically, representatives of the Energy Ministers will consult bilaterally or through regional or multilateral economic, financial and political organizations, forums, and groupings. Such consultations could include review of efforts to implement these principles; identification of hindrances to implementation; and development of measures that eliminate mutually acknowledged hindrances and strengthen the overall U.S.-Africa Partnership.

Furthermore, the Ministers acknowledge the commitment by the U.S. Department of Energy to work independently and collectively with other U.S. public and private sector organizations and international financial institutions to help increase investments, enhance capacity building, and encourage technology transfer in the countries listed below.

Algeria	Eritrea	Niger
Angola	Ethiopia	Nigeria
Benin	Gabon	Republic of Congo
Botswana	Ghana	Rwanda
Burkina Faso	Kenya	Senegal
Burundi	Lesotho	Sierra Leone
Cameroon	Liberia	South Africa
Cape Verde	Madagascar	Swaziland
Central African Republic	Malawi	Tanzania
Chad	Mali	The Gambia
Comoros	Mauritania	Togo
Côte d'Ivoire	Mauritius	Tunisia
Democratic Republic of Congo	Morocco	Uganda
Djibouti	Mozambique	United States of America
Egypt	Namibia	Zambia
Equatorial Guinea		